

## Message Text

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44

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 FTC-01 JUSE-00 STR-04 ERDA-05 AID-05 CEA-01

CIEP-01 COME-00 FEAE-00 FPC-01 INT-05 OMB-01 SAM-01

OES-03 TRSE-00 /088 W

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R 031347Z OCT 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 752

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EO 11652: NA

TAGS: ENRG PFOR VE

SUBJ: OCCIDENTAL PETROLEUM BRIBERY CASE

1. BEGIN UNCLASSIFIED. BICAMERAL COMMITTEE, CREATED BY THE VENEZUELAN CONGRESS TO INVESTIGATE CHARGES THAT THE OCCIDENTAL PETROLEUM COMPANY BRIBED GOV OFFICIALS IN ORDER TO OBTAIN VENEZUELAN SERVICE CONTRACTS, HAS GOTTEN DOWN TO WORK. ON OCTOBER 27, A FORMER HEAD OF THE VENEZUELAN STATE OIL COMPANY (CVP) SENT THE INVESTIGATING COMMITTEE A TELEGRAM ALLEGING, AMONG OTHER THINGS, THAT THE CVP'S DECISION IN SEPT 1975 TO CONFER "COMMERCIAL" STATUS ON OCCIDENTAL'S BLOCK "E" IN SOUTH LAKE MARACAIBO, I.E., MAKING OCCIDENTAL ELEGIBLE FOR SUBSTANTIAL REIMBURSEMENT BY THE GOV FOR PART OF ITS EXPLORATION AND DEVELOPMENT INVESTMENT, WAS CONTRARY TO TECHNICAL ADVICE GIVEN THE CVP BY OUTSIDE CONSULTANTS. THE NEXT DAY THE MINISTRY OF MINES AND HYDROCARBONS PUBLICLY REJECTED THIS ALLEGATION AND DEFENDED THE PROCEDURES USED BY CVP IN ARRIVING AT ITS DECISION.

2. ON OCTOBER 30 FORMER MINISTER OF MINES HUGO PEREZ LA SALVIA TOLD THE INVESTIGATING COMMITTEE THAT OCCIDENTAL'S BLOCK "E" IS NOT LIMITED OFFICIAL USE

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COMMERCIAL, AND THAT THE COMMITTEE SHOULD INVESTIGATE THE CVP DE-

CISION. AD DEPUTY GUSTAVO BUSTILLOS WALKED OUT OF THE COMMITTEE MEEING, SAYING THAT PEREZ LA SALVIA'S TESTIMONY WAS "MORE POLITICAL THAN TECHNICAL," AND THAT ANY PAYMENT BY THE GOV TO OCCIDENTAL HAS BEEN HELD UP PENDING THE OUTCOME OF THE BRIBERY INVESTIGATION.

3. THE COMMITTEE ALSO HEARD TESTIMONY FROM THE ACTING FISCAL GENERAL, WHO REPORTED ON HIS OFFICE'S EFFORTS TO INVESTIGATE THE CHARGES AGAINST OCCIDENTAL MADE BY ITS EX-CARACAS MANAGER JOHN F. RYAN. THE ACTING FISCAL GENERAL SAID THAT HE HAD ASKED THE CARACAS JUDGE HAVING COGNIZANCE OF THE CASE TO OBTAIN TESTIMONY FROM RYAN VIA LETTERS REGATORY.

4. THE INVESTIGATING COMMITTEE'S CHAIRMAN, MEP DEPUTY SIUBERTO MARTINEZ, ANNOUNCED THAT NEXT WEEK THE MINISTER OF MINES AND HYDRO-CARBONS AND THE HEAD OF THE CVP, CARLOS CARNEVALI, (SEE ALSO CARACAS 11303) WILL TESTIFY BEFORE THE COMMITTEE. END UNCLASSIFIED.

5. BEGIN LIMITED OFFICIAL USE. COMMENT: THE COMMITTEE HAS WIDENED ITS INVESTIGATION TO INCLUDE ALL ASPECTS OF OCCIDENTAL'S OPERATIONS IN VENEZUELA. COPEI IS OBVIOUSLY TRYING TO FOCUS ATTENTION AWAY FROM BRIBES ALLEGEDLY MADE BY OCCIDENTAL WHEN COPEI WAS IN POWER TO IRREGULARITIES ALLEGEDLY COMMITTED MORE RECENTLY, UNDER AN ADECO ADMINISTRATION.  
SHLAUDEMAM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BRIBERY, BUSINESS FIRMS, GOVERNMENT PERSONNEL, CONTRACTS, INVESTIGATIONS  
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**Copy:** SINGLE  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Status:** NATIVE  
**Subject:** OCCIDENTAL PETROLEUM BRIBERY CASE  
**TAGS:** ENRG, PFOR, VE, OCCIDENTAL PETROLEUM CO  
**To:** STATE  
**Type:** TE  
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